

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

DECEMBER 10, 1999

IN RE:

**UNITED TELEPHONE SOUTHEAST, INC. TARIFF
TO LIMIT THE COMPANY'S LIABILITY
REGARDING YEAR 2000 (Y2K) DEFECTS**

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DOCKET NO. 99-00436

ORDER DENYING TARIFF

This matter came before the Tennessee Regulatory Authority ("Authority") at the regularly scheduled Authority Conference held on September 28, 1999, for consideration of United Telephone Southeast's ("UTSE") Tariff to Limit the Company's Liability Regarding Year 2000 (Y2K) Defects. The Tariff was originally filed with the Authority on June 16, 1999 with a proposed effective date of July 16, 1999. The original Tariff's purpose was to add language to the Service Irregularities section in the general tariff to limit UTSE's liability for pecuniary damages resulting from causes of action in contract or tort. The original filing also sought to add language limiting UTSE's liability with respect to potential Year 2000 (Y2K) defects.

On July 13, 1999, at a regularly scheduled Authority Conference, the Directors unanimously voted to suspend the effective date of the tariff through August 12, 1999. At the Authority Conference held on August 10, 1999, UTSE voluntarily agreed to defer the effective date of the tariff until such time as UTSE amended and resubmitted the tariff with the Authority.

FILE

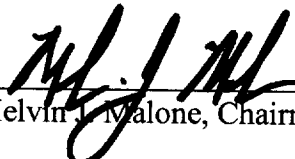
UTSE re-filed its revised tariff on September 8, 1999. In the revised tariff, UTSE deleted the language limiting liability for pecuniary damages in the Services Irregularities section of the general tariff, but resubmitted the original language that proposed to limit UTSE's liability for Y2K defects.

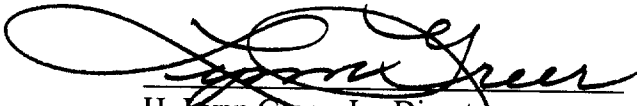
Previously, when deliberating on a similar tariff in Docket No. 98-00108, the Authority determined that a limitation on a public utility's liability is not in the best interests of the public, and therefore, waiver of liability provisions should not be included in public tariffs on a going-forward basis. The Authority found that rather than including liability-limiting language in their tariffs, public utilities could utilize more suitable methods and procedures to accomplish this objective. Any entity's liability pursuant to a contract must be determined by the facts and circumstances of the individual case, and any provision to waive such liability should be negotiated between such parties and included in the parties' individual agreement. Because the tariffs of public utilities have general applicability and the Authority is the surrogate for the contracting public, it is not appropriate for public utilities to include liability-limiting language as a provision in their general tariffs.

At the regularly scheduled Authority Conference held on September 28, 1999, acting consistently with their previous decision on Tariff No. 98-00108, the Directors voted unanimously to deny UTSE's tariff.

IT IS THEREFORE ORDERED THAT:


United Telephone Southeast, Inc.'s Tariff No. 99-00436 is denied.


Melvin J. Malone, Chairman


H. Lynn Greer, Jr., Director


Sara Kyle, Director

ATTEST:


K. David Waddell, Executive Secretary